



Give teachers a more livable retirement

TRS Care

Last session, following a disturbing trend seen in other recent sessions, the Legislature addressed a serious issue with TRS Care (in this case a looming premium hike) with a one-time cash appropriation instead of addressing the underlying funding structure. By continuing to rely on a series of emergency, stop-gap measures rather than take a clear-eyed and deliberate look at the state's funding responsibility to active and retired educators we risk:

- Reducing benefits for retirees while forcing them to bear the brunt of increased health care costs; or
- Requiring retirees, active teachers and school districts to shoulder an unfair portion of the burden for funding TRS Care, at a time when the lack of state support for TRS Active Care is already creating hardships for active employees and districts.

TSTA believes the Legislature needs to find a genuine long-term funding solution for TRS Care without reducing benefits or increasing the burden on retired or active teachers.

TRS Pension Trust Fund and Benefit Enhancements

TSTA is grateful for the step that the Legislature took last session in Senate Bill 12 to provide retirees with a "13th check" of up to \$2,000. That one-time check, however, did not provide our retirees with the peace of mind and financial security that a cost-of-living adjustment tied to the Consumer Price Index would.

SB12 also committed the state, for the first time, to a long-term and cost-effective plan to make the TRS Pension Fund actuarially sound by setting up a phased-in contribution schedule for the state, employers and public education members.

The Legislature must honor the state's pledge to increase its contributions to the fund, work toward a realistic COLA and oppose any efforts to replace the defined benefit plan with a 401(k)-style defined contribution plan, which is riskier for both retirees and the state.

- The TRS defined benefit pension plan is one of the healthiest in the country, but those who would profit from a defined contribution plan have friends in the Capitol, and they could propose legislation to undermine the fund.
- The total investment value of the fund as of Aug. 31, 2020 was \$164.6 billion, a \$7.2 billion increase over last year, net of benefit payments.
- Financial experts, not politicians, should set the assumed rate of return for one of the largest and healthiest pension funds in the world.

The TRS Pension Trust Fund is the only nest egg many retired educators have, and its continued protection remains a top TSTA priority.

